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POLISH LAW OF ARBITRATION

Economic activity has been encompassed by the economic plans. Those who execute these plans are, in the first analysis, the state enterprises, which in the Polish economic system enjoy operating autonomy and operate on the principle of credit and debit clearances. Relationships between state enterprises and other economic units take place by way of agreements intended to implement the planned assignments of these enterprises.

Disputes which may arise in the course of carrying out the agreements bring on pecuniary results not only for the participants in the agreement but also have an effect on other branches of the economy with dovetailing interests. In a planned economy the settlement of such disputes has as its prime objective the protection of the public interest, as expressed in the economic plan, by the removal of disturbances among those who are engaged in carrying out the plan. Because of the very nature of the disputes, a major problem in planning is enforcing discipline in the performance of agreements, from the standpoint of the specific interests of the planning authorities. Therefore, such disputes must be removed from the jurisdiction of civil courts and must be settled by separate arbitration methods which consider in the broadest sense the requirements of planned management of accounts by socialized enterprises.

Arbitration in the Soviet Union has become a valuable instrument for focusing attention on functional disturbances in the economic machine. The same considerations have brought about the creation in Poland of the Arbitration Commission for settling property disputes between enterprises subject to the Minister of Industry and Trade. The decree on state economic arbitration was based on valuable experience gained from the use of arbitration in the Soviet Union.

The state arbitration commissions will not only settle property disputes between administrative and productive units of the state, but will, to a large extent, guide the conduct of these units and will be an instrument of the planning authorities. Article 1 of the 5 August 1949 decree on state economic arbitration sets forth the above objectives.

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Settlement of disputes by arbitration will be incumbent upon the following:

1. State-owned enterprises, banks, and institutions; enterprises under state management; central sales offices, state and cooperative; enterprises of municipal and regional government bodies; companies formed under civil and commercial law in which the state owns over 50 percent of the capital -- in disputes among themselves.
2. State and sectional government authorities -- in disputes with any of the above.

The Council of Ministers is empowered to indicate arbitration in disputes arising between economic units not mentioned above.

The organization is twofold: (1) the Chief Arbitration Commission, (associated with the State Economic Planning Commission) and (2) regional planning commissions (associated with wojewodztwo planning authorities).

At the head of the Chief Arbitration Commission will be the president, appointed by the president of the Council of Ministers on the recommendation of the chairman of the State Economic Planning Commission. The presidents and vice-presidents of the regional planning commissions will be appointed by the chairman of the State Economic Planning Commission. Other members of the Chief Arbitration Commission will be appointed by the president of the Council of Ministers, the chairman of the State Economic Planning Commission, each of the Ministers, and the Central Cooperative Association. With respect to the regional arbitration commissions, one member will be designated by each side engaged in the dispute.

No hard and fast rules for the conduct of these arbitration commissions have been set down, leaving a way open to a flexible adaptation to circumstances. Their decisions, however, are to be guided by the laws of People's Poland and the directives and guiding principles contained in the economic plans. The final decisions have the authority of court verdicts and are to be carried out without delay. The chairman of the State Economic Planning Commission may alter the decision of the Chief Arbitration Commission or submit the case to a newly constituted commission. He may also refer a case handled by a regional arbitration commission to the Chief Arbitration Commission.

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